



# City of Los Altos

## Employee Benefits Summary

### 2019

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# Holidays & Leave

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## City Observed Holidays

| Holiday   | Date Observed   |
|---|---|
| <b>New Year's Day</b><br>(January 1st)                        | Tuesday, January 1, 2019                                    |
| <b>Martin Luther King, Jr. Day</b><br>(3rd Monday in January) | Monday, January 21, 2019                                    |
| <b>President's Day</b><br>(3rd Monday in February)            | Monday, February 18, 2019                                   |
| <b>Memorial Day</b><br>(Last Monday in May)                   | Monday, May 27, 2019  |
| <b>Independence Day</b><br>(July 4th)                         | Thursday, July 4, 2019                                      |
| <b>Labor Day</b><br>(1st Monday in September)                 | Monday, September 2, 2019                                   |
| <b>Veterans Day</b><br>(November 11th)                        | Monday, November 11, 2019                                   |
| <b>Thanksgiving Holiday</b><br>(4th Thursday in November)     | Wednesday, November 27, 2019<br>Thursday, November 28, 2019 |
| <b>Christmas Day</b><br>(December 25th)                       | Wednesday, December 25, 2019                                |

When a holiday falls on Saturday, the preceding Friday shall be observed. When a holiday falls on Sunday, the following Monday shall be observed.

Probationary or regularly appointed Full-Time employee employees working a Defined 9/80 Work Schedule or employees on a 4/10 Work Schedule at Defined 9/80 locations will only accrue one (1) nine (9) hour floating holiday in the first full pay period in July unless an employee's labor agreement specifies otherwise.

In accordance with the current Los Altos POA MOU, shift personnel such as in police and communications receive holiday pay in accordance with the collective bargaining agreement. (REFER TO CURRENT POA MOU ARTICLE 16.2).

Part-Time/Seasonal/Temporary employees shall not be entitled to paid holidays.





## Vacation

All probationary or regularly appointed Full-Time employees shall earn vacation leave time per the vacation accrual schedule below, which was established by City Council Resolution 1998-20 and amended by City Council Resolution 07-31:

| Years of Continuous Service | Annual Vacation Accrual | Maximum Vacation Accrual |
|-----------------------------|-------------------------|--------------------------|
| Fewer than 5 years          | 80 hours                | 240 hours                |
| 5 years                     | 120 hours               | 360 hours                |
| 6 to 7 years                | 128 hours               | 384 hours                |
| 8 to 9 years                | 136 hours               | 408 hours                |
| 10 to 11 years              | 144 hours               | 432 hours                |
| 12 to 13 years              | 152 hours               | 456 hours                |
| 14 to 19 years              | 160 hours               | 480 hours                |
| more than 20 years          | 180 hours               | 540 hours                |

Vacation accrual changes will begin on the pay period following the anniversary date. The maximum vacation accrual balance permitted will be three times the employee's annual accrual rate. Vacation earning and accruals will stop once the employee has reached his/her maximum vacation accrual balance. Only probationary and regularly appointed Full-Time employees shall be entitled to paid vacation leave. Part-Time/Seasonal/Temporary employees shall not be entitled to paid vacation leave.

The times during a calendar year at which an employee may take his vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the service.

Probationary or regularly appointed Full-Time employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination. No such payment shall be made for vacation accumulated contrary to the foregoing provisions.



## Sick Leave

Sick leave with pay shall be earned by probationary or regularly appointed Full-Time employees from the date of current service with the City at the accrual rate of 3.69 hours per pay period. Sick leave shall not be considered as a privilege which an employee may use at his/her discretion, but shall be allowed only in the case of necessity and actual sickness or disability of the employee, or because of illness or death in his/her immediate family. Unused sick leave shall be accumulated at the accrual rate per pay period with no limit on the amount of hours accumulated, from the date of current employment.

Sick Leave for Part-Time/Seasonal/Temporary Employees: Effective July 1, 2015, California Paid Sick Leave law requires the City of Los Altos to provide paid sick leave to Part-Time/Seasonal/Temporary employees according to the following criteria:

- An employee begins to accrue paid sick leave at the rate of one (1) hour of paid sick leave for every thirty (30) hours worked beginning on the first day of employment. An employee is not eligible to begin using any accrued sick leave until after 90 days of employment with the City of Los Altos.
- An employee is only allowed to use up to a maximum of 3 days or 24 hours of paid sick leave in a 12-month period.
- An employee can only accrue paid sick leave up to a cap of 6 days or 48 hours ongoing. Any unused accrued paid sick leave does carryover year-to-year while continuously employed and is not cashed out at the time of separation.



## Perfect Attendance

For every six [6] consecutive months of perfect attendance by probationary or regularly appointed Full-Time employees, eight hours shall be added to the employee's perfect attendance balance. For every twelve [12] consecutive months of perfect attendance, eight additional "bonus hours" [making a total of twenty-four extra perfect attendance hours or the twelve (12) consecutive months of perfect attendance shall be added to any probationary or regularly appointed Full-Time employee's perfect attendance balance. Each six [6] or twelve [12] month period shall begin on the date the employee returns to work following an illness or family sick leave.

## Additional Paid Time Off Benefits

Dependent upon job classification, certain positions may be eligible for either Compensatory Time Off or Management Leave; contact Human Resources by emailing [sgerdes@losaltosca.gov](mailto:sgerdes@losaltosca.gov) for more information regarding your position's eligibility.



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# Health Insurance

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## CalPERS Health Insurance Eligibility & Enrollment

The City of Los Altos provides health insurance coverage to all probationary and regularly appointed Full-Time employees and their eligible dependents. Eligible dependents include: Spouses, Registered domestic partners, Children (biological or adopted) or step children up to age 26, Certified disabled dependents over age 26, Dependents who are covered through a Parent-Child Relationship (subject to CalPERS criteria and certification).

Probationary and regularly appointed Full-Time employees become eligible for health coverage on the first day of the month following the employee's hire date. In order to be enrolled, an employee must submit a CalPERS enrollment form along with the verification documents for dependents as required by CalPERS.

Part-time / Seasonal / Temporary employees who work greater than an average of 30 hours per week over 12 months of employment may be eligible for employer subsidized health insurance under the Affordable Care Act.



## 2019 CalPERS Health Insurance Premiums

The following schedule shows the 2019 monthly rates for the CalPERS health insurance plans available to all probationary or regularly appointed Full-Time City of Los Altos employees and Council members.

| Carrier                   | Employee Only | Employee + 1 | Employee + Family |
|---------------------------|---------------|--------------|-------------------|
| Anthem Select (HMO)       | \$831.44      | \$1,662.88   | \$2,161.74        |
| Anthem Traditional (HMO)  | \$1,111.13    | \$2,222.26   | \$2,888.94        |
| HealthNet SmartCare (HMO) | \$901.55      | \$1,803.10   | \$2,344.03        |
| Kaiser Permanente (HMO)   | \$768.25      | \$1,536.50   | \$1,997.45        |
| PERS Choice (PPO)         | \$866.27      | \$1,732.54   | \$2,252.30        |
| PERS Select (PPO)         | \$543.19      | \$1,086.38   | \$1,412.29        |
| PERS Care (PPO)           | \$1,131.68    | \$2,263.36   | \$2,942.37        |
| PORAC (PPO)               | \$774.00      | \$1,623.00   | \$2,076.00        |
| Western Health Advantage  | \$767.01      | \$1,534.02   | \$1,994.23        |

Comprehensive information about each health plan option can be found on the CalPERS website at <https://www.calpers.ca.gov/page/active-members/health-benefits/plans-and-rates>.

Pursuant to the Affordable Care Act, the City of Los Altos, at a minimum, fully pays for the lowest cost employee only health plan. Additional City Contribution toward the health insurance premium varies by employee group. For specific City contribution amounts, you may refer to your [employee group's labor agreement](#) or contact Human Resources.

## Health Insurance Open Enrollment Period

The City of Los Altos follows the CalPERS open enrollment window for health insurance, which typically begins in September and runs through October. Dates of the open enrollment period vary each year; this information will be communicated to staff as soon as it is made available by CalPERS.

The effective date for any open enrollment changes will be January 1 of the following year.

All current participants as well as those who will waive coverage are required to submit the open enrollment transaction form; that document outlines your current plan choice and rate for the current year, and the new plan rate for the upcoming year. Probationary and regularly appointed Full-Time employees

## Waiving Health Coverage

Probationary and regularly appointed Full-Time employees may waive health coverage from CalPERS by providing the City of Los Altos with written proof of enrollment in an alternate group plan. By providing written proof of enrollment in an alternate group plan, employees may receive a monthly stipend based on their employee bargaining group. For specific stipend amounts, you may refer to your [employee group's labor agreement](#).



## Health Coverage for Council Members

Per Resolution 2014-08, the City shall pay the full premium of the lowest cost single member employee health insurance in the City's health plans for Council members. Council members shall not receive cash in lieu of medical benefits. Dependents of Council members may enroll in the City health plans provided the Council member pays the full dependent premium and with no cost to the City.

## CalPERS Health Insurance Information Resources

Choosing your health plan is an important decision. To assist you with this process, each health plan available to you through the California Public Employees' Retirement System has produced a Summary of Benefits and Coverage (SBC). In addition, the federal government has compiled a glossary of common health insurance terms. Together, these documents provide important information to help you better understand your health benefit coverage and more easily compare health plan options.

To view the SBCs and glossary online, visit [calpers.ca.gov](http://calpers.ca.gov). To request a free paper copy of the SBC and glossary, please contact each health plan directly.



## Dental & Vision Reimbursement Plan

The City of Los Altos Dental & Vision Reimbursement Plan is a self-funded reimbursement plan through Navia Benefit Solutions, which the City administers independent of any private insurance carrier. As this is a reimbursement plan, employees are not responsible for a premium – meaning that 100% of covered costs are reimbursable up to the annual maximum. Eligible employees are required to submit receipts through the Navia Benefit Solutions portal ([www.naviabenefits.com](http://www.naviabenefits.com)).

|                              | Employee   | Dependent  |
|------------------------------|--|--|
|                              | Unrepresented, LAMEA, and POA  |  |
| Dental/Vision Annual Maximum | \$1,858.00 per employee  | \$1,238.00 per employee  |
|                              | Teamsters  |  |
| Dental Annual Maximum        | \$1,858.00 per employee  | \$1,238.00 per employee  |
| Vision Annual Maximum        | Employees may use up to \$300 of the annual maximum above toward vision care | Each dependent may use up to \$200.00 of his/her annual maximum above toward vision care |

\* Per Resolution 2008-45, Annual Maximum Coverage is determined by the increase in annual CPI.

### Participant Eligibility

Probationary and regularly appointed Full-Time employees are eligible to participate. New employees are eligible beginning the first day of employment. Dependents of employees are defined as lawful spouses or domestic partners and children (up to age 26).

### Plan Year

The Dental & Vision Reimbursement Plan runs from January 1 through December 31 and balances renew each calendar year; unused balances are not carried over year-to-year. The year in which a claim is paid out of is determined by the date of service and not by the date a claim was submitted.

### Dual Insurance

To help cover dental expenses employees may use additional, “dual” insurance that has been made available through their spouse’s employer in combination with the City’s Dental Reimbursement Plan.

*Employees who have dual insurance made available through the spouse’s employer for their children should be aware of the birthday rule; the parent with the birthday earliest in the calendar year, is considered the primary insurance. In those instances, you will be asked to provide an Explanation of Benefits (EOB) from your spouse’s employer in order to process reimbursement for your children’s claims. Please contact Human Resources for assistance.*

### Definitions

“Dentist” is defined to mean a legally qualified dentist practicing within the scope of his/her license. For the purpose of the City’s plan, “dentist” shall also include a legally qualified physician authorized by his license to perform the particular dental services rendered.

“Dependent” is defined as a lawful spouse or domestic partner and children to age 26. Children include stepchildren and adopted children provided such are dependent upon the employee for support and maintenance. An unmarried child 26 years of age or over may continue to be eligible as a dependent if he/she is incapable of self-support because of physical or mental incapacity that commenced prior to reaching the age of 26. A physician’s certificate must be submitted within six months following his/her 26th birthday.

### Covered Expenses

Covered expenses are detailed in the City of Los Altos Dental Reimbursement Plan Administrative Procedures. Should you have additional questions, contact Human Resources at [sgerdes@losaltosca.gov](mailto:sgerdes@losaltosca.gov).



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# Retirement

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## CalPERS Retirement Benefits

*The information provided below is intended to be an overview of how CalPERS retirement applies to you (but is not an inclusive overview). The CalPERS retirement system has many nuances, and any specific questions should always be directed to Human Resources or to CalPERS. All existing and new members (Miscellaneous & Safety) are strongly encouraged conduct their own research on this subject by visiting the CalPERS website ([www.calpers.ca.gov/page/active-members/retirement-benefits](http://www.calpers.ca.gov/page/active-members/retirement-benefits)) or by calling CalPERS directly at (888) 225-7377.*

### How are Retirement Benefits Calculated?

$$\begin{array}{ccccc} \text{Service Credit} & \times & \text{Benefit Factor} & \times & \text{Final Compensation} = \text{Unmodified Allowance } (\$) \\ \text{(Years)} & & \text{(\% per year)} & & \text{(Monthly \$)} \end{array}$$

### Summary of Plan Differences

| Applies to                       | Current sworn safety employees hired prior to December 31, 2011 | Current sworn safety employees hired on or after January 1, 2012 | Current sworn safety employees hired on or after January 1, 2013 | Misc. employees hired prior to December 31, 2011 | Misc. employees hired on or after January 1, 2012 or before December 31, 2012 | Misc. employees hired on or after January 1, 2013 |
|----------------------------------|---|--|--|--|---|---|
| Formula                          | 3% @ 50   | 3% @ 55  | 2.7% @ 57  | 2.7% @ 55  | 2% @ 60   | 2% @ 62   |
| CalPERS Membership               | Classic   | Classic  | New  | Classic  | Classic   | New   |
| Tier                             | I   | II   | PEPRA  | I  | II  | PEPRA   |
| Based On                         | Highest 12-consecutive-month compensation                       | Highest Average 36-consecutive-month compensation                | Highest Average 36-consecutive-month compensation                | Highest 12-consecutive-month compensation        | Highest Average 36-consecutive-month compensation                             | Highest Average 36-consecutive-month compensation |
| Employee Contribution FY 2018/19 | 9%  | 9%   | 12%  | 8%   | 7%  | 6.75%   |

To be eligible for service retirement, the employee must meet the minimum age for retirement and be vested with five years of CalPERS service credit.

## Deferred Compensation

Deferred compensation plans, also known as 457 retirement plans, are designed for state and municipal workers as well as employees of some tax-exempt organizations. If you participate in a 457 plan, you may contribute a portion of your salary to a retirement account. That money and any earnings you accumulate are not taxed until you withdraw them.



### 401(k) vs. 457

Although they're alike in many ways, there are some differences between 401(k) and 457 plans, particularly when it comes to early withdrawal penalties and minimum required distributions.

With a 457 retirement savings plan (subject to change based upon federal income tax law):

- There isn't a minimum retirement age
- There isn't a 10% federal penalty for early withdrawal of funds, although withdrawals are subject to ordinary income taxes
- There is a withdrawal option for unforeseen emergencies that meet certain legal criteria, if all other financial resources are exhausted
- Distributions are available in a lump sum, annual installments or as an annuity
- There is no tax withholding if you leave for a new job and roll over your money into an IRA or your new employer's 401(k), 403(b) or 457 plan – or if you take regular installments for 10 years or more. (All other distributions are subject to 20% withholding for federal taxes.)

### Contributions

Pre-tax contributions you make reduce your taxable income for the year. These contributions and all associated earnings are then not subject to tax until you withdraw them. You also may be able to make after-tax Roth contributions which allow for potentially tax-free earnings.

Contribution limits are set by the IRS. For the current year, contribution limits are listed below:

| Maximum Contribution | Age-50 Catch-up   | Pre-Retirement Catch-up |
|----------------------|-------------------|-------------------------|
| \$19,000 per year    | \$25,000 per year | \$38,000 per year       |

### Enrollment & Investment

The City of Los Altos partners with ICMA-RC and Nationwide Retirement Solutions to provide 457 plans to employees. Both plans allow for enrollment at any time and contribution changes at any time.

You control how your account is invested, choosing from options selected by your employer. A typical plan includes a wide range of options, from more conservative stable value funds and CDs to more aggressive bond and stock funds. You may choose to build a diversified portfolio of various funds, select a simple yet diversified target-date or target-risk fund, or rely on specific investment advice from either of our account representatives listed below.



| Nationwide Retirement Solutions         | ICMA -RC                       |
|---|--------------------------------|
| Dawn Furlo<br>dawn.furlo@nationwide.com | Ray Ortiz<br>rortiz@icmarc.org |

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# Supplemental Benefits

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## Basic Life Insurance Policy

The City of Los Altos provides life insurance to Full-Time Regular employees. The amount of the policy varies by employee group. For specific information on the different policy amounts, you may refer to your employee group's labor agreement or contact Human Resources.

### Enrollment & Coverage

Probationary and regularly appointed Full-Time employees are eligible for a life insurance policy and will be enrolled on their date of hire. Coverage continues throughout employment with the City of Los Altos and terminates on the last day of employment. This employer-paid life insurance policy is not portable.

## Supplemental Life Insurance Policy

Probationary and regularly appointed Full-Time employees may elect to enroll in a supplemental life insurance policy. The amount elected in this policy would be in addition to the basic life insurance policy. The maximum amount that can be elected is the lesser of either 5x annual base salary or \$500,000. The minimum amount that can be elected is \$20,000; election amounts must be in increments of \$10,000.

Employees who enroll in a supplemental life insurance policy may also enroll in a supplemental life insurance policy for a spouse or dependent.

As pricing and enrollment information is specific to each employee, please check with Human Resources for plan design information.

## Long Term Disability Insurance Policy

Probationary and regularly appointed Full-Time employees may elect to enroll in a long term disability insurance policy. This policy provides coverage for disabilities resulting from injuries or illnesses that prevent employees from performing the essential duties of their jobs. As pricing and enrollment information is specific to each employee group, please check with Human Resources for plan design information.

## State Disability Insurance Program

Probationary and regularly appointed Full-Time employees in the union groups Teamsters and LAMEA are automatically enroll in the State of California's Disability Insurance Program. This program provides short-term Disability Insurance and Paid Family Leave wage replacement benefits to eligible workers. This is an employee paid benefit that requires a 1% contribution of an employee's salary.





## Flexible Spending Account (Health Care & Dependent Care)

Probationary and regularly appointed Full-Time employees may elect to enroll in Flexible Spending Account for health care expenses, dependent care expenses, or both. This account is a pre-tax benefit that enables employees to set aside money to pay for out-of-pocket health care expenses or dependent care expenses.

Contribution limits are set by the IRS. For the current year, contribution limits are listed below:

| Healthcare FSA Max Election | Dependent Care FSA Max Election |
|-----------------------------|---------------------------------|
| \$2,700 per year            | \$5,000 per year                |

For a list of eligible and ineligible expenses that can be claimed, visit:

[www.naviabenefits.com/participants/resources/expenses](http://www.naviabenefits.com/participants/resources/expenses).

## Alternative Work Schedule

In 2018, the City implemented a compressed work schedule for City Hall, Municipal Services, and Recreation staff. Under the new schedule, called a “Defined 9/80 Schedule,” staff work the same 80 hours, but over nine days every two weeks. Every other Friday these City locations are closed to staff and the public. A full list of Friday Closures can be found on the City Website at [www.losaltosca.gov/calendar](http://www.losaltosca.gov/calendar). Employees scheduled to work or requesting to work an alternative work schedule shall submit an “Alternative Work Schedule Form” to their immediate supervisor and department director. Work schedules have been and will continue to be determined by City Departments based upon the need to provide service to the public.

## Commuter Benefit

Full-Time Regular employees may elect to enroll in the Commuter Benefit plan which allows employees to set aside pre-tax dollars that can be used to pay for transit passes or vanpool charges, up to the IRS limit. For more information, visit [www.naviabenefits.com/participants/benefits/gonavia-commuter-benefits](http://www.naviabenefits.com/participants/benefits/gonavia-commuter-benefits).

## Carpool Buddy Program

On December 10, 2013, the City Council adopted the Los Altos Climate Action Plan (CAP) with a target of reducing the community’s greenhouse gas emissions (GHG) by at least 15% by 2020. One of the components of this plan is to encourage City employees to reduce GHG emissions by carpooling to work. Employees interested in participating should email [HR@losaltosca.gov](mailto:HR@losaltosca.gov); if two employees living near each other show interest, we will notify them of the match.

## Union-Specific Benefits

Membership in either the Los Altos POA, LAMEA, or Teamsters Local 350 may entitle you to additional benefits which are administered through the union. For more information, contact the appropriate union for your position.

## Retirement Health Saving (RHS) Account [POA Only]

Post-probationary Full-Time Regular employees who are members of the Los Altos POA will be required to enroll in a Retirement Health Savings (RHS) account with ICMA-RC. The contribution amount is set at \$50 biweekly. All funds contributed are invested; contributions as well as any earnings are available to employees for use upon separation from the City of Los Altos. These funds may be used to pay for medical-related expenses in retirement.

For specific information regarding this benefit, contact Chad Parilla at [cparilla@icmarc.org](mailto:cparilla@icmarc.org).

**For additional information on employee benefits, contact Human Resources by emailing [sgerdes@losaltosca.gov](mailto:sgerdes@losaltosca.gov) or by phone at (650) 947-2606.**